

110TH CONGRESS  
2D SESSION

# H. R. 7269

To amend the Internal Revenue Code of 1986 to exclude from gross income gain from the sale of troubled assets.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 3, 2008

Mr. SALI introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income gain from the sale of troubled assets.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. EXCLUSION OF GAIN FROM SALE OR EX-**  
4                       **CHANGE OF CERTAIN MORTGAGES AND**  
5                       **MORTGAGE-RELATED SECURITIES.**

6       (a) IN GENERAL.—Part I of subchapter P of chapter  
7       1 of the Internal Revenue Code of 1986 (relating to treat-  
8       ment of capital gains) is amended by adding at the end:

1 **“SEC. 1203. EXCLUSION OF GAIN FROM SALE OR EXCHANGE**  
 2 **OF CERTAIN MORTGAGES AND MORTGAGE-**  
 3 **RELATED SECURITIES.**

4 “(a) IN GENERAL.—There shall be excluded from  
 5 gross income gain from the sale or exchange of a qualified  
 6 mortgage or mortgage-related security held for more than  
 7 1 year.

8 “(b) QUALIFIED MORTGAGE OR MORTGAGE-RE-  
 9 LATED SECURITY.—For purposes of this section, the term  
 10 ‘qualified mortgage or mortgage-related security’ means  
 11 any residential or commercial mortgage (or any security,  
 12 obligation, or other instrument which is based on or re-  
 13 lated to such a mortgage) which in each case—

14 “(1) was originated or issued on or before  
 15 March 14, 2008, and

16 “(2) was acquired by the taxpayer after the  
 17 date of the enactment of this section and before  
 18 January 1, 2009.

19 “(c) RELATED PARTIES.—Subsection (a) shall not  
 20 apply to any sale to, or exchange with, any person who  
 21 bears a relationship to the taxpayer which is described in  
 22 section 267(b) or 707(b).”.

23 (b) CLERICAL AMENDMENT.—The table of sections  
 24 for part I of subchapter P of chapter 1 of such Code is  
 25 amended by adding at the end the following new item:

“Sec. 1203. Gain on troubled assets.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to sales and exchanges after the  
3 date of the enactment of this Act.

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